



## Composite Wood Products Regulation Advisory: 11- 01

### **EXTENSION OF SELL-THROUGH DATES FOR: DISTRIBUTORS, IMPORTERS, FABRICATORS, AND RETAILERS OF FINISHED GOODS CONTAINING PHASE 1 HARDWOOD PLYWOOD - VENEER CORE AND DISTRIBUTORS OF PHASE 1 PARTICLEBOARD AND MEDIUM DENSITY FIBERBOARD PANELS**

The California Air Resources Board (ARB) is delaying the enforcement of two sell-through dates that affect distributors, importers, fabricators, and retailers of finished goods made with Phase 1 hardwood plywood - veneer core (HWPW-VC), and distributors of Phase 1 particleboard (PB) and medium density fiberboard (MDF) panels. The extension for distributors, importers, fabricators, and retailers of finished goods is through June 30, 2012, and affects businesses that use HWPW-VC panels (i.e., fabricators) to make finished goods, as well as businesses that distribute or sell these goods in California. In addition to the finished goods extension, this advisory also provides an extension for distributors of Phase 1 PB and MDF panels through December 31, 2011, aligning this date with the sell-through date for panel retailers. The extensions will not change the anticipated emission-reduction benefits, because ARB had expected that these panels and finished goods would have already been sold if the economy and turnover of inventories had not slowed. The formaldehyde emission standards affecting newly manufactured composite wood products will not be delayed.

ARB recognizes that many businesses that sell and supply panels and finished goods containing composite wood products have been and continue to be adversely affected by the economic downturn. Therefore, ARB is providing additional time to allow businesses to deplete their existing inventories manufactured before the more stringent Phase 2 emission standards became effective.

### **Definitions**

- **“Phase 1 PB and MDF panels”** means PB and MDF panels manufactured before January 1, 2011, that comply with the Phase 1 emission standards specified in ARB’s Airborne Toxic Control Measure To Reduce Formaldehyde Emissions From Composite Wood Products (the “Regulation”).
- **“Finished goods”** means any good or product, other than a panel, containing HWPW, PB, or MDF. Most of these panels are used to make finished goods, such as furniture, cabinets, shelving, countertops, flooring, and moldings in homes.
- **“Phase 1 finished goods containing HWPW-VC”** means finished goods that contain Phase 1 HWPW-VC.
- **“Extension” and “delay in enforcement”** means that ARB will not enforce the sell-through dates for:
  - Finished goods made with Phase 1 HWPW-VC panels until after June 30, 2012; and
  - Phase 1 PB and MDF panels sold by distributors until after December 31, 2011.

## **Background**

Businesses required to comply with the Regulation are: manufacturers, distributors, importers, fabricators, and retailers of composite wood product panels and finished goods that contain regulated products. The Regulation establishes a phased-in approach to formaldehyde emission standards with the most stringent standards going into effect between January 2010 and July 2012.

To comply with the Regulation, panels must meet the formaldehyde emission standards specified in the Regulation and must have been produced by a manufacturer that has been certified by an ARB-approved third party certifier. Similarly, panels used to make finished goods must also have been certified as complying with the emission standards.

The Regulation has provisions that allow businesses a limited amount of time to sell or use non-compliant composite wood products if those products were manufactured before the effective date of each emission standard. This is referred to as the sell-through period. Allowing businesses time to sell or use existing inventories is intended to provide a smoother market transition to each new emission standard. If a composite wood product was manufactured after an applicable effective date, the product must meet the applicable emission standard.

### **What other issues should distributors, importers, fabricators, and retailers be aware of?**

Finished goods often contain a combination of different composite wood products. The one-year extension will alleviate confusion caused by the current staggered sell-through dates, especially with regard to the labeling requirements in the Regulation.

No extensions have been provided to manufacturers of composite wood product panels. All newly manufactured HWPW-VC, PB, and MDF must be Phase 2 compliant at this point in time. All hardwood plywood with composite core (HWPW-CC) and thin MDF (MDF with a maximum thickness of eight millimeters) currently being manufactured for California must be at least Phase 1 compliant. ARB staff has found that manufacturers currently have the capacity to produce ample quantities of certified panels to meet the market demand for both Phase 1 and Phase 2 products.

### **What are the extended sell-through dates?**

As shown in the following table, the sell-through date is extended until June 30, 2012, for distributors, importers, fabricators, and retailers of finished goods containing Phase 1 HWPW-VC. For distributors of Phase 1 PB and MDF panels, the sell-through date is extended until December 31, 2011.

**Phase 1 Sell-through Dates for Distributors, Importers, Fabricators, and Retailers of Finished Goods Containing HWPW-VC Panels, and for Distributors of PB and MDF Panels**

	Dates Specified in Regulation	Extended Dates	Number of Months Extended from Original Date
Distributors, importers, fabricators, and retailers of finished goods containing Phase 1 HWPW-VC	June 30, 2011	June 30, 2012	12
Distributors of Phase 1 PB and MDF panels	May 31, 2011	December 31, 2011	7

**For more information**

The Regulation may be viewed at: <http://www.arb.ca.gov/toxics/compwood/compwood.htm>. Appendix 1 of section 93120.12 of the Regulation sets forth the sell-through provisions. Additional information about complying with the Regulation, including staff contacts, fact sheets and Frequently Asked Questions, is available on this website.